

All Pro Collision Repair

971 South Main Street, Plantsville, Connecticut 06479
860-628-0200 / fax: 860-628-0333

Business Hours: 8am to 5pm ~ Monday through Friday

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Senator Joseph J. Crisco, Jr.
State Representative Fontana
& Members of the Insurance & Real Estate Committee
Room 2800, Legislative Office Building
Hartford, CT 06106

Re: Opposition to SB-896
An Act Concerning the Repair of Damaged Motor Vehicles

Dear Senator Crisco, Representative Fontana and Members of the Committee:

I respectfully write in opposition to Senate Bill 896. The bill's statement of purpose is presented as to protect consumers' rights, ensure quality and prevent fraud in the repair of damaged motor vehicles. The statement of purpose appears to have good intention and merit. It is my belief its' true intention was to mislead repairers, consumers and this committee so the actual language would not be scrutinized. The language in this bill, as written, that the insurance industry is requesting you pass into law actually takes away consumers' rights, ensures quality of repairs is only at the discretion of insurance companies and allows insurers to expand their already fraudulent practices. I am of the opinion that it is not this committee's intention to pass legislation that benefits the insurance industry at the expense of consumers and small businesses.

SECTION ONE

The proposed additions in section (1) (a) (2) should be amended to remove the wording of (customer) and be clarified to (registered vehicle owner). This will clearly define who has authorization for repairs and whom repairers have obligation under Connecticut General Statutes. Department of Motor Vehicle statutes should be amended to state the same intent. This will definitively remove insurers from the role they are attempting to legislate their way into. To clarify my statement, the business of insurance is to spread risk and indemnify claims, not to assume the role of customer in the repair process. The consumers' and repairers' of this state have sufficient protection and obligations to each other without insurers attempting to intervene. Insurers' intention in this wording is to gain control of the repairer/customer (vehicle owner) relationship for the benefit of the insurer only, not the consumer.

The proposed additions in section (1) (c) (1) need to be deleted completely. This infers that insurers' pay for repairs. On the surface that seems harmless. Its' intention is to recognize that insurers pay for repairs, again attempting to legislate their way in to being the customer. To clarify, insurer's role is to reimburse the registered vehicle owner for damages, and then the registered owner would pay the repair shop for the repairs they authorized. There is no need for insurers' to be involved beyond that.

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The proposed addition in section (1) (c) (2) should be deleted completely. This is by far the most egregious and preposterous section yet. This section is written very craftily to incorporate control over both first and third party claims, taking away the rights of both claimants and insureds. This section also attempts to put insurers in the position of authorizing repairs, once again attempting to legislate their way into being recognized as the customer. This section has absolutely no benefit to consumers whatsoever. Its sole purpose is to for insurers to gain even more control than they already have over repairers and consumers.

The proposed additions in section (1) (c) (3) should also be deleted. This allows insurers to waive their rights so that they can allow the shops that they have secret deals with, referred to as preferred repair facilities, to be exonerated from the legislation at the insurers' discretion so the preferred shops can operate without insurer interference. Without this addition in legislation, insurers' could be considered to be using unfair trade practices, allowing one group that is has affiliation with to operate one way while hindering the operations of shops that choose not to part of the secret deals.

The proposed additions in section (1) (c) (4) should also be deleted. This takes away the repairers' rights to use the legal system to recover monies owed. Insurers know that repairers have the option of pursuing proper compensation thru the courts and want to take that right away. This would be a gross abuse of our legislative system if this were allowed to happen.

The proposed additions in section (2) (c) should also be deleted. The repairer has no obligation to an insurer. The repairer's obligation is to the registered vehicle owner. If the owner wishes to provide their insurer with a copy of their invoice that should be a personal choice, not legislation. Also, to imply that the repairer must provide, under penalty of law, that a repairer has completed repairs as per an insurer's estimate is ridiculous. Insurance estimates are just that an estimate. They constantly misrepresent information, intentionally deny necessary repairs and operations, price fix and grossly under write damages, all for savings benefits to the insurers'. How could a licensed repairer certify under penalty of false statement to these types of practices? Furthermore, what right should an insurer have to dictate how a consumer decides to repair his vehicle and what dollar amount he spends on the repairs? Insurers' do not accept any liability for repairs. Why should they have access to the repairers' and consumers' information? What is the benefit to consumers' and Connecticut small businesses? The answer is none. This again is a flagrant attempt to force unneeded controls on consumers' and repairers'.

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Section 3 is again very craftily written. It would appear on the surface that requiring motor vehicle repair shops to have licensed physical damage appraisers would be a benefit to consumers'. Unfortunately, the language in this bill does not have that benefit as its core. It immediately attempts to force repairers' to negotiate with insurers'. Repairers do not have that obligation and it is not required. We are licensed by the Department of Motor Vehicles and should not be expected to be regulated by 2 industries. The intention of this language is to again create a contract between repairers and insurers which does not benefit the consumers, only the insurers. It also attempts to make motor vehicle repairs shops tie their licensing to the Commissioner of the Department of Insurance. Ultimately, insurers would make alleged complaints against repair shops that did not cower to their demands. Under this legislation, the Commissioner of the Department of Insurance could then demand all the records, receipts, invoices regarding a repair and turn that over to an insurer for investigation. Again I will ask the question. Is this the business of insurance? This legislation again has no benefit to consumers or small business, only to insurers. This request is unreasonable, unnecessary and would only serve the purposes of insurers.

Section 6 is also an attempt to gain more access and control to the inner workings of the collision repair industry. Can you give me one example where a retail business reveals its actual cost of doing business to anyone other than the owners? You have to decide if you wish to purchase a product or service based on its value. Only the owner of a business should be allowed to make decisions based on profit margin not an outside entity that demands to see it costs. What is the benefit to consumers in this language?

In closing I would like to provide a brief summary that I believe is clear and concise. The language of this bill serves only the insurance industry, not the consumers or small businesses of this state. The insurance industry has become aware that repairers are becoming informed about how to take back our industry and get insurers influence out of our businesses. This language in this legislation is an attempt to cloud this committees vision of what this bill actually intends. I respectfully request you oppose SB-896 in the form you see in today. If you wish to entertain the small parts that may or may not have merit, I strongly suggest it be redrafted so it may indeed have benefit to consumers and small business. I thank you for your time, understanding and patience in reviewing these concerns. I would welcome discussing any of these concerns openly and candidly with any and all members of the committee.

Sincerely,
William Romaniello, III
Owner, All-Pro Collision Repair
Board of Director, Auto Body Association of Connecticut

